

C. ESTIMATED OPERATIONS AND STATUS OF THE TRUST FUNDS DURING THE PERIOD OCTOBER 1, 1987, TO DECEMBER 31, 1992

This subsection presents estimates of the operations and status of the OASI and DI Trust Funds during the period October 1, 1987, to December 31, 1992, based on the assumptions described in the preceding subsections. As previously stated, no changes are assumed to occur in the present statutory provisions and regulations under which the OASDI program operates.

These estimates indicate that the assets of the OASI and DI Trust Funds would be sufficient to permit the timely payment of benefits throughout the short-range period under each of the four sets of assumptions shown. While the assets of the OASI Trust Fund are estimated to increase substantially during 1988-92 under each alternative, DI assets are expected to remain roughly constant (as a percentage of annual expenditures) through 1989 before beginning to increase. Under adverse conditions, however, DI assets would decline substantially from their current level (relative to annual expenditures) and would be depleted within 10 years.

The estimated operations of the OASI Trust Fund shown in this report are somewhat more favorable, generally, than the corresponding estimates in the 1987 Annual Report. This improvement is attributable to the net effect of a number of factors. Income is greater than projected in the 1987 Annual Report as a result of (1) actual economic experience in 1987 that was better than had been assumed, (2) an increase in the assumed level of net immigration, and (3) higher interest earnings (in part due to the greater level of trust fund assets and in part to higher assumed interest rates). Projected OASI benefit payments are somewhat lower than in the 1987 Annual Report, reflecting the net effect of (1) actual experience through 1987 that was better than previously estimated, (2) the actual 4.2-percent benefit increase for December 1987 that was higher than assumed, and (3) miscellaneous refinements in estimating methodologies.

For the DI Trust Fund during 1988-92, the estimated operations in this report under alternatives I, II-A, and II-B are somewhat worse than the corresponding estimates from the 1987 report. For DI, the favorable effects attributable to the 1987 economic performance and other factors cited above are more than offset by (1) the effects of a more rapid increase in the number of DI beneficiaries in 1987 than was anticipated, and (2) higher assumed rates of disability incidence in the future. The alternative III projections for DI are somewhat more favorable than the corresponding projections in the 1987 report.

As in past reports, the estimates shown in this subsection reflect 12 months of benefit payments in each year of the short-range projection period. In practice, 13 benefit payments can be made in certain years, with the next year having only 11 payments. This situation can result from the statutory requirement that benefit checks be delivered early when the normal check delivery date is a Saturday, Sunday, or legal public holiday. For example, the benefit checks for December 1987 would normally have been delivered on January 3, 1988; however, because that day was a Sunday, and the two preceding days were a

Saturday and a holiday, the checks were actually delivered on December 31, 1987. The annual benefit figures are shown as if those benefit checks had been delivered on the usual date.

OASI Trust Fund operations

Estimates of the operations and status of the OASI Trust Fund during calendar years 1988-92 are shown in table 13 based on each of the four alternative sets of assumptions, which are described in a preceding subsection. Actual operations for calendar year 1987 are also shown in the table.

The increases in estimated income shown in table 13 on the basis of each set of assumptions reflect increases in estimated taxable earnings as well as the increase in the OASI tax rate that became effective for 1988 (and the increase scheduled for 1990). For each alternative, employment and earnings are assumed to increase in every year through 1992 (except that employment declines temporarily during each of the economic recessions assumed under alternative III). The number of persons with taxable earnings under the OASDI program is expected to increase on the basis of alternatives I, II-A, II-B, and III, from 128 million during calendar year 1987 to about 137 million, 136 million, 135 million, and 131 million, respectively, by 1992. The total annual amount of taxable earnings is expected to increase from about \$1,960 billion in 1987 to \$2,681 billion, \$2,675 billion, \$2,659 billion, and \$2,561 billion, in 1992, on the basis of alternatives I, II-A, II-B, and III, respectively. (In 1987 dollars—taking account of assumed increases in the CPI from 1987 to 1992 based on each alternative—the estimated amounts of taxable earnings in 1992 are \$2,327 billion, \$2,255 billion, \$2,166 billion, and \$1,950 billion, on the basis of alternatives I, II-A, II-B, and III, respectively.) These increases are due in part to the increases in the contribution and benefit base assumed to occur in 1988-92 under the automatic-adjustment provisions. The increases in taxable earnings are also due to (1) projected increases in employment levels and average earnings in covered employment, and (2) various provisions enacted into law in 1983-87, including the mandatory coverage of all newly hired Federal civilian employees and the voluntary coverage of certain Federal employees who were not previously covered.

TABLE 13.—ESTIMATED OPERATIONS OF THE OASI TRUST FUND BY ALTERNATIVE,
CALENDAR YEARS 1987-92
[Amounts in billions]

Calendar year	Income	Disbursements	Net increase in fund	Fund at end of year	Contingency fund	
					Amount ¹	Ratio ²
1987 ³	\$210.7	\$187.7	\$23.1	\$62.1	\$55.8	30
Alternative I:						
1988.....	241.2	199.8	41.3	103.5	81.9	41
1989.....	260.1	210.5	49.5	153.0	125.2	59
1990.....	283.8	222.6	61.2	214.2	176.5	79
1991.....	306.6	234.1	72.5	286.7	239.2	102
1992.....	328.5	244.8	83.7	370.4	313.1	128
Alternative II-A:						
1988.....	240.6	200.0	40.6	102.8	81.9	41
1989.....	258.9	211.4	47.5	150.3	124.5	59
1990.....	282.8	225.4	57.4	207.7	173.7	77
1991.....	305.5	238.6	66.8	274.5	232.6	97
1992.....	328.3	250.8	77.4	352.0	300.9	120

TABLE 13.—ESTIMATED OPERATIONS OF THE OASI TRUST FUND BY ALTERNATIVE,
CALENDAR YEARS 1987-92 (Cont.)
(Amounts in billions)

Calendar year	Income	Disbursements	Net increase in fund	Fund at end of year	Contingency fund	
					Amount ¹	Ratio ²
Alternative II-B:						
1988	\$240.0	\$200.0	\$40.0	\$102.1	\$81.9	41
1989	257.3	212.2	45.1	147.2	123.7	58
1990	280.6	227.2	53.4	200.6	170.4	75
1991	302.6	242.1	60.5	261.1	225.2	93
1992	326.6	257.0	69.6	330.6	287.2	112
Alternative III:						
1988	237.1	200.1	37.0	99.1	81.9	41
1989	249.9	214.1	35.8	134.9	120.0	56
1990	274.1	232.4	41.7	176.6	157.5	68
1991	297.3	252.8	44.4	221.0	201.0	80
1992	314.3	273.5	40.8	261.8	246.2	90

¹Represents assets at beginning of year, plus advance tax transfers for January.

²Represents assets at beginning of year, plus advance tax transfers, as a percentage of disbursements during the year. See text concerning interpretation of these ratios.

³Figures for 1987 represent actual experience.

Note: Totals do not necessarily equal the sums of rounded components.

Rising disbursements during calendar years 1988-92 reflect the effects of the assumed automatic benefit increases previously shown, as well as the long-range upward trend in the numbers of beneficiaries and in the amounts of average monthly earnings underlying benefits payable by the program. The growth in the number of beneficiaries in the past and the expected growth in the future result both from the increase in the aged population and from the increase in the proportion of the population which is eligible for benefits. The latter increase is primarily due to the amendments enacted after 1950, which modified the eligibility provisions and extended coverage to additional categories of employment.

Growth has also occurred, and will continue to occur, in the proportion of eligible persons who, in fact, receive benefits. This growth is due to several factors, among which are (1) the amendments enacted since 1950 which affect the conditions governing the receipt of benefits, and (2) the increasing percentage of eligible persons who are aged 70 and over and who therefore may receive benefits regardless of earnings.

The estimates shown in table 13 indicate that income would exceed disbursements in every year of the short-range projection period, based on each of the four alternative sets of assumptions used in this report. The assets of the OASI Trust Fund at the beginning of 1987, including advance tax transfers for January, were equal to 30 percent of the fund's disbursements in 1987. As described in the introduction to this section, this ratio is known as the "contingency fund ratio"; it provides a useful measure of the relative level of trust fund assets. During 1987, income exceeded disbursements by \$23.1 billion. As a result, the contingency fund ratio increased to 41 percent at the beginning of 1988.

Assets are estimated to increase substantially in each year of the short-range projection period, based on each of the four alternative sets of assumptions. The increase in the contingency fund ratio from the relatively low level of 41 percent at the beginning of 1988 to more adequate levels during the projection period is due, in part, to the increase in the OASI tax rate that became effective for 1988, and also to

the increase scheduled for 1990 under present law. Asset growth is also assisted by recent increases in taxable earnings that have generally exceeded the rate of growth in benefit payments and the expected continuation of this experience (except under alternative III).

In interpreting the contingency fund ratios in table 13, it should be noted that, at the beginning of any month, assets of at least 8-9 percent of annual expenditures are required to make the benefit payments that are due at the beginning of the month. Therefore, the difference between the estimated contingency fund ratios shown above, and the minimum level of 8-9 percent, represents the reserve available to handle adverse contingencies.

DI Trust Fund operations

The estimated operations and status of the DI Trust Fund during calendar years 1988-92 on the basis of the four sets of assumptions are shown in table 14, together with figures on actual experience in 1987. On the basis of each alternative, income is estimated to increase gradually during 1988-92. This increase reflects the same factors, insofar as they apply to income to the DI Trust Fund, that are reflected in the estimated increase in income to the OASI Trust Fund during the same period.

TABLE 14.—ESTIMATED OPERATIONS OF THE DI TRUST FUND BY ALTERNATIVE, CALENDAR YEARS 1987-92
[Amounts in billions]

Calendar year	Income	Disbursements	Net increase in fund	Fund at end of year	Contingency fund	
					Amount ¹	Ratio ²
1987 ³	\$20.3	\$21.4	-\$1.1	\$6.7	\$9.4	44
Alternative I:						
1988.....	22.9	22.1	.8	7.5	8.6	39
1989.....	24.4	23.1	1.3	8.8	9.6	41
1990.....	29.5	24.0	5.5	14.3	11.3	47
1991.....	31.9	25.0	6.9	21.2	17.0	68
1992.....	34.2	26.1	8.0	29.2	24.0	92
Alternative II-A:						
1988.....	22.8	22.4	.4	7.1	8.6	38
1989.....	24.3	23.6	.6	7.7	9.1	39
1990.....	29.2	24.8	4.4	12.1	10.2	41
1991.....	31.6	26.2	5.4	17.5	14.8	56
1992.....	33.9	27.6	6.3	23.8	20.4	74
Alternative II-B:						
1988.....	22.8	22.4	.3	7.0	8.6	38
1989.....	24.1	23.7	.4	7.4	9.1	38
1990.....	28.9	25.0	4.0	11.3	9.8	39
1991.....	31.2	26.5	4.7	16.0	14.0	53
1992.....	33.6	28.2	5.5	21.5	18.9	67
Alternative III:						
1988.....	22.5	23.0	-.5	6.1	8.6	37
1989.....	23.3	24.7	-1.4	4.7	8.1	33
1990.....	28.0	26.7	1.3	6.0	7.1	27
1991.....	30.2	29.1	1.0	7.0	8.6	30
1992.....	31.6	31.8	-.3	6.8	9.7	31

¹See footnote 1 of table 13.

²See footnote 2 of table 13.

³See footnote 3 of table 13.

Note: Totals do not necessarily equal the sums of rounded components.

Disbursements are estimated to increase because of automatic benefit increases and because of projected increases in the amounts of average monthly earnings on which benefits are based. In addition, on the basis of all four sets of assumptions, the number of DI beneficiaries is projected to continue increasing throughout the short-range projection period.

The growth in the number of DI beneficiaries in recent years primarily reflects the effects of (1) gradual increases in the number of persons insured for disability benefits, and (2) increases in the proportion of those insured who become disabled. The recent increases in the proportion who become disabled represent a reversal of the downward trend that occurred during 1978-82. The downward trend followed earlier concerns that the higher numbers of newly disabled beneficiaries during the mid-1970s were causing the costs of the DI program to increase rapidly. These concerns led to legislation in 1980 which required periodic reviews of the continuing eligibility of beneficiaries on the disability rolls. The implementation of this requirement resulted in relatively large numbers of benefits being terminated during 1981-83. The continuing disability reviews were subsequently suspended for a temporary period, however, and legislation in 1984 placed limitations on terminations due to recovery from disability. Consequently, such terminations fell sharply in 1984-86. Concurrently, the proportion of insured persons becoming disabled each year began to rise again. Part of these increases may be attributable to other provisions in the 1984 legislation which modified the procedures followed in awarding disability benefits to new claimants.

The continuing spread of the Acquired Immunodeficiency Syndrome (AIDS) epidemic has recently contributed to an increase in both DI awards and terminations. Due to the extremely high mortality rates of affected individuals, the total number of disabled workers currently receiving benefits has not increased greatly as a result of AIDS. In this report, benefit awards to AIDS patients are projected to continue to increase rapidly, based on the projections of new AIDS cases prepared by the Centers for Disease Control through 1991. Although many aspects of AIDS are well understood, there remains considerable uncertainty regarding future medical advances and future incidence of the disease. Over the next 1-2 years, the Public Health Service Executive Task Force on AIDS will be developing an updated assessment of the prevalence and likely future incidence of AIDS. The Trustees will consider this assessment and other evidence in order to estimate the longer-term impact of AIDS for future reports. In the interim, an assumption was adopted for this report that no new infections with the Human Immunodeficiency Virus (HIV—the precursor to AIDS) will occur after 1991.

Increases in the proportion of insured workers who become disabled have been projected in past annual reports. Actual increases, however, have generally been larger than expected. The proportion of workers becoming disabled is assumed to continue increasing beyond the short-range period but is not assumed to return to the high levels experienced during the 1970s.

At the beginning of 1987, the assets of the DI Trust Fund (including advance tax transfers for January) represented 44 percent of annual expenditures. During 1987, DI expenditures exceeded DI income by about \$1.1 billion. Thus, DI assets decreased during the year, and the contingency fund ratio at the beginning of 1988 was about 38 percent. Income is estimated to exceed expenditures in 1988 under the alternative

I, II-A, and II-B sets of assumptions, as a result of the increase in the DI tax rate. Under these three sets of assumptions, the DI contingency fund ratio is projected to remain at roughly 38-40 percent in 1988-89, and to increase steadily in 1990 and later due to the further increase in the tax rate scheduled for 1990.

Under the conditions assumed for alternative III, DI assets would continue to decline in 1988-89. Small increases would occur in 1990-91, as a result of the tax rate increase in 1990, but the trust fund would again decrease in 1992 and later. The level of assets during this period, under the alternative III assumptions, would represent only a narrow margin above the 8-9 percent that is required just to meet benefit payments at the beginning of each month. In the event of somewhat more adverse experience than assumed under alternative III, either for the economy or for disability incidence and termination rates, DI assets could become insufficient to allow the timely payment of DI benefits within the short-range projection period. As will be discussed in the next section, under the alternative III assumptions, the DI Trust Fund would continue to decline and would be depleted in 1996.

Combined OASI and DI Trust Fund operations

The estimated operations and status of the OASI and DI Trust Funds, combined, during calendar years 1988-92 on the basis of the four alternatives, are shown in table 15, together with figures on actual experience in 1987. These figures are the sums of the corresponding figures shown in tables 13 and 14.

TABLE 15.—ESTIMATED OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, BY ALTERNATIVE, CALENDAR YEARS 1987-92
[Amounts in billions]

Calendar year	Income	Disbursements	Net increase in funds	Funds at end of year	Contingency fund	
					Amount ¹	Ratio ²
1987 ³	\$231.0	\$209.1	\$21.9	\$68.8	\$65.2	31
Alternative I:						
1988.....	264.1	221.9	42.1	110.9	90.5	41
1989.....	284.5	233.6	50.9	161.8	134.8	58
1990.....	313.2	246.5	66.7	228.5	187.8	76
1991.....	338.5	259.2	79.3	307.9	256.2	99
1992.....	362.7	270.9	91.8	399.6	337.2	124
Alternative II-A:						
1988.....	263.4	222.4	41.0	109.8	90.5	41
1989.....	283.1	235.0	48.1	157.9	133.6	57
1990.....	312.0	250.1	61.9	219.8	183.8	73
1991.....	337.0	264.8	72.3	292.0	247.4	93
1992.....	362.2	278.4	83.7	375.8	321.3	115
Alternative II-B:						
1988.....	262.7	222.4	40.3	109.1	90.5	41
1989.....	281.4	235.9	45.5	154.6	132.8	56
1990.....	309.5	252.2	57.3	211.9	180.2	71
1991.....	333.8	268.6	65.2	277.1	239.2	89
1992.....	360.3	285.2	75.1	352.1	306.1	107
Alternative III:						
1988.....	259.5	223.1	36.4	105.2	90.5	41
1989.....	273.1	238.6	34.3	139.6	128.2	54
1990.....	302.1	259.1	43.0	182.6	164.6	64
1991.....	327.5	282.0	45.5	228.0	209.7	74
1992.....	345.8	305.3	40.5	288.6	256.0	84

¹See footnote 1 of table 13.

²See footnote 2 of table 13.

³See footnote 3 of table 13.

Note: Totals do not necessarily equal the sums of rounded components.

At the beginning of 1987, the contingency fund ratio for the OASI and DI Trust Funds combined was 31 percent, as shown in table 15. During 1987, total income to the two trust funds was \$21.9 billion higher than total expenditures, resulting in combined OASDI assets at the beginning of 1988 which represented about 41 percent of estimated combined expenditures for the year. Based on alternatives I, II-A, and II-B, the contingency fund ratio for the combined funds is projected to increase substantially, and to exceed 100 percent at the beginning of 1992. Under the alternative III assumptions, assets would grow more slowly, but would still reach 84 percent at the beginning of 1992. Under alternative I, the level of projected assets is somewhat less than the corresponding estimates from the 1987 Annual Report. The alternative II-A estimates are very similar to those shown in the 1987 report, while under alternatives II-B and III, projected OASDI assets exceed the corresponding figures from the 1987 report.

The estimates in table 15 indicate that, if necessary, a reallocation of tax rates between OASI and DI would prevent the assets of the DI Trust Fund from declining on the basis of the alternative III assumptions.

Section 215(i) of the Social Security Act defines an "OASDI fund ratio" for the purpose of determining automatic benefit increases in 1984 and later. If this ratio is below a specified threshold, the benefit increase would be based on the lesser of certain wage and price increases. Following the final repayment in January 1986 of amounts borrowed from the HI Trust Fund, the "OASDI fund ratio" specified for the purpose of determining benefit increases is equal to the contingency fund ratio shown in table 15. Under all four alternatives, this ratio would not be lower than the 15.0-percent threshold applicable in 1988 or the 20.0-percent threshold applicable in 1989 and later. Thus, the benefit-increase "stabilizer" provision would not be triggered at any time during the short-range projection period under any of the sets of assumptions used in this report.

Figure 1 illustrates the pattern of the estimated future contingency fund ratios under the four alternatives for OASI and DI, combined. Contingency fund ratios for selected years prior to 1988, and estimates for 1988-92 under the four alternatives, are shown in table 16 for OASI, DI, and both funds combined. In evaluating the ratios shown in figure 1 and table 16, it should be recalled that a minimum of 8-9 percent is needed to meet monthly cash-flow requirements. The shaded area in figure 1 depicts this requirement.

FIGURE 1.—ESTIMATED CONTINGENCY FUND RATIOS, FOR OASI AND DI TRUST FUNDS COMBINED, CALENDAR YEARS 1987-92

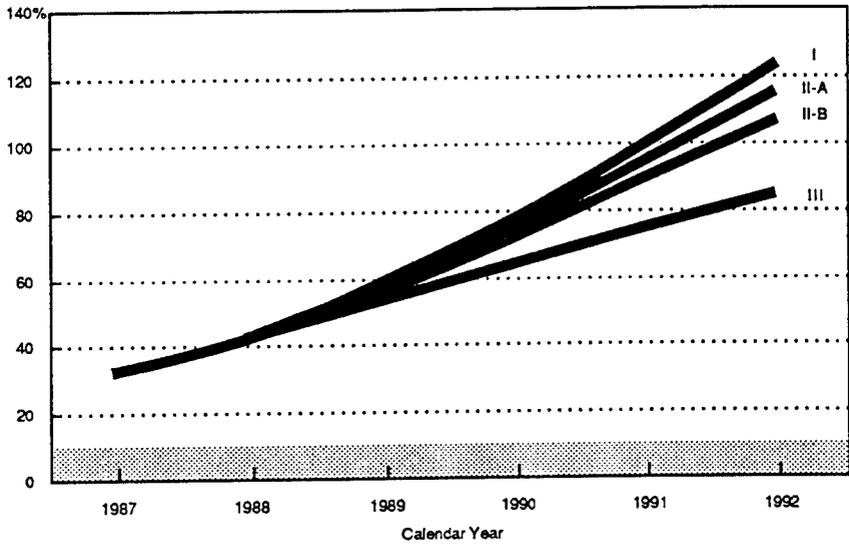


TABLE 16.—CONTINGENCY FUND RATIOS¹ BY TRUST FUND, SELECTED CALENDAR YEARS 1950-87, AND ESTIMATED FUTURE RATIOS BY ALTERNATIVE, CALENDAR YEARS 1988-92
[In percent]

Calendar year	OASI Trust Fund	DI Trust Fund	OASI and DI Trust Funds, combined
Past experience:			
1950.....	1,156	—	1,156
1955.....	405	—	405
1960.....	180	304	186
1965.....	109	121	110
1970.....	101	126	103
1975.....	63	92	66
1980.....	23	35	25
1981.....	18	21	18
1982.....	15	17	15
1983.....	15	14	14
1984.....	20	35	21
1985.....	24	27	24
1986.....	28	38	29
1987.....	30	44	31
Alternative I:			
1988.....	41	39	41
1989.....	59	41	58
1990.....	79	47	76
1991.....	102	68	99
1992.....	128	92	124
Alternative II-A:			
1988.....	41	38	41
1989.....	59	39	57
1990.....	77	41	73
1991.....	97	56	93
1992.....	120	74	115
Alternative II-B:			
1988.....	41	38	41
1989.....	58	38	56
1990.....	75	39	71
1991.....	93	53	89
1992.....	112	67	107
Alternative III:			
1988.....	41	37	41
1989.....	56	33	54
1990.....	68	27	64
1991.....	80	30	74
1992.....	90	31	84

¹See footnote 2 of table 13 for definition of contingency fund ratio.

Table 17 shows that expenditures in calendar year 1987 from both trust funds, combined, were about 10.7 percent of taxable payroll for the year—0.9 percentage point less than the income rate of 11.6 percent. Since 1982, the cost rate has fallen steadily—from 11.9 percent in 1982 to 10.7 percent in 1987. Based on alternatives I and II-A, the cost rate is estimated to decline slowly during the short-range projection period, reaching 10.12 and 10.43 percent, respectively, in 1992. Based on alternative II-B, the cost rate would remain in the neighborhood of 10.7–10.8 percent through 1992. Under alternative III, it would increase significantly, to 11.94 percent in 1992. These percentages are shown in table 17 for both trust funds, separately and combined. Table 17 also shows a comparison of the cost rates with the corresponding income rates. As explained previously, the income rate represents the sum of the combined employee-employer contribution rate and the income derived from the Federal income taxation of OASDI benefits, expressed as a percentage of effective taxable payroll. The difference between the income rate and the cost rate for a given year is referred to as the “balance” for that year.

TABLE 17.—COMPARISON OF INCOME RATES AND COST RATES, BY TRUST FUND, SELECTED CALENDAR YEARS 1950-87, AND ESTIMATED RATES BY ALTERNATIVE, CALENDAR YEARS 1988-92
 [As a percentage of taxable payroll]

Calendar year	OASI Trust Fund			DI Trust Fund			Total		
	Income rate	Cost rate	Balance	Income rate	Cost rate	Balance	Income rate	Cost rate	Balance
Past experience:									
1950.....	3.00	1.17	1.83	—	—	—	3.00	1.17	1.83
1955.....	4.00	3.34	.66	—	—	—	4.00	3.34	.66
1960.....	5.50	5.59	-.09	0.50	0.30	0.20	6.00	5.89	.11
1965.....	6.75	7.23	-.48	.50	.70	-.20	7.25	7.93	-.68
1970.....	7.30	7.32	-.02	1.10	.81	.29	8.40	8.12	.28
1975.....	8.75	9.29	-.54	1.15	1.36	-.21	9.90	10.65	-.75
1980.....	9.04	9.36	-.32	1.12	1.38	-.26	10.16	10.74	-.58
1981.....	9.40	9.97	-.57	1.30	1.39	-.09	10.70	11.36	-.66
1982.....	9.15	10.59	-1.44	1.65	1.34	.31	10.80	11.94	-1.14
1982 ¹	9.15	10.59	-1.44	1.33	1.22	.10	*11.24	11.50	-.26
1983 ¹	*9.91	10.27	-.36	1.01	1.16	-.14	11.59	11.24	.35
1984 ¹	10.58	10.08	.50	1.01	1.14	-.06	*11.79	11.13	.66
1985 ¹	*10.72	9.99	.73	*1.07	1.12	-.11	11.60	10.98	.62
1986 ¹	10.59	9.86	.72	1.01	1.12	-.11	11.56	10.69	.88
1987 ¹	10.57	9.59	.97	1.00	1.10	-.10	11.56	10.69	.88
Alternative I:									
1988.....	11.22	9.58	1.64	1.07	1.06	.01	12.29	10.64	1.65
1989.....	11.23	9.46	1.77	1.07	1.04	.03	12.30	10.50	1.80
1990.....	*11.35	9.39	1.96	*1.21	1.01	.20	*12.56	10.41	2.16
1991.....	11.39	9.27	2.12	1.21	.99	.22	12.60	10.26	2.34
1992.....	11.39	9.15	2.24	1.21	.98	.23	12.60	10.12	2.48
Alternative II-A:									
1988.....	11.22	9.61	1.61	1.07	1.08	-.01	12.29	10.69	1.60
1989.....	11.23	9.55	1.68	1.07	1.07	(¹)	12.30	10.62	1.69
1990.....	*11.37	9.57	1.80	*1.21	1.05	.16	*12.58	10.62	1.96
1991.....	11.39	9.49	1.90	1.21	1.04	.17	12.60	10.54	2.07
1992.....	11.40	9.40	2.00	1.21	1.03	.18	12.61	10.43	2.18
Alternative II-B:									
1988.....	11.22	9.65	1.57	1.07	1.08	-.01	12.29	10.73	1.56
1989.....	11.23	9.65	1.59	1.07	1.08	-.01	12.30	10.72	1.58
1990.....	*11.39	9.74	1.65	*1.21	1.07	.14	*12.60	10.81	1.79
1991.....	11.40	9.73	1.67	1.21	1.07	.15	12.61	10.80	1.81
1992.....	11.40	9.68	1.72	1.21	1.06	.15	12.62	10.75	1.87
Alternative III:									
1988.....	11.22	9.80	1.43	1.07	1.13	-.06	12.29	10.92	1.37
1989.....	11.24	10.02	1.22	1.07	1.16	-.09	12.31	11.18	1.13
1990.....	*11.41	10.19	1.23	*1.22	1.17	.05	*12.63	11.35	1.27
1991.....	11.41	10.33	1.08	1.21	1.19	.02	12.62	11.52	1.10
1992.....	11.42	10.69	.73	1.21	1.24	-.03	12.64	11.94	.70

¹Figures shown are preliminary.

*Income rates for 1983, 1985, and 1990 are adjusted to include the lump-sum payments from the general fund of the Treasury (or adjustments to such payments) for the cost of noncontributory wage credits for military service in 1940-56.

¹Income rate differs from cost rate by less than 0.005 percent of taxable payroll.

Note: Totals do not necessarily equal the sums of rounded components.

As stated previously, estimates of the operations of the trust funds during calendar years 1988-92 have been presented in the preceding tables of this section on the basis of four different sets of economic assumptions, because of the uncertainty of future economic and demographic developments. Under the provisions of the Social Security Act, however, estimates of the expected operations and status of the trust funds during the next 5 *fiscal* years are required to be shown in this report. Accordingly, detailed estimates of the expected operations and status of the trust funds during each fiscal year 1988-92 are shown in the remaining tables of this section for the two intermediate sets of assumptions (alternatives II-A and II-B) only. Similar detailed estimates are also shown on a calendar-year basis for 1988-92.

Data on the actual operations of the OASI Trust Fund for selected years during 1940-87, and estimates of the expected operations of the trust fund during 1988-92 on the basis of the intermediate sets of assumptions, are shown in tables 18 and 19 on a fiscal- and calendar-year basis, respectively. Corresponding figures on the operations of the DI Trust Fund are shown in tables 20 and 21. Operations of both trust funds combined are shown in tables 22 and 23. (Data relating to the operations of the two trust funds for years not shown in tables 18-23 are contained in past annual reports.) The figures shown in tables 19, 21, and 23 for 1981, 1982, and 1987 are adjusted to reflect 12 months of benefit payments in each year. As stated previously, the estimated figures for 1988 are also so adjusted.

TABLE 18.—OPERATIONS OF THE OASI TRUST FUND DURING SELECTED FISCAL YEARS 1940-87 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1988-92 ON THE BASIS OF THE INTERMEDIATE SETS OF ASSUMPTIONS
[in millions]

Fiscal year ¹	Income					Disbursements						Fund at end of period
	Total	Net contributions ²	Income from taxation of benefits	Payments from the general fund of the Treasury ³	Net interest ⁴	Total	Benefit payments ⁵	Administrative expenses	Transfers to Railroad Retirement program	Intertfund borrowing transfers ⁶	Net increase in fund	
Past experience:												
1940	\$592	\$550	—	—	\$42	\$28	\$16	\$12	—	—	\$564	\$1,745
1945	1,434	1,310	—	—	124	267	240	27	—	—	1,167	6,613
1950	2,367	2,106	—	\$4	257	784	727	57	—	—	1,583	12,893
1955	5,525	5,087	—	—	438	4,427	4,333	103	-\$10	—	1,098	21,141
1960	10,360	9,843	—	—	517	11,073	10,270	202	600	—	-713	20,829
1965	16,443	15,857	—	—	586	15,962	15,226	300	436	—	482	20,180
1970	31,746	29,955	—	442	1,350	27,321	26,268	474	579	—	4,425	32,616
1975	58,757	56,017	—	447	2,292	56,676	54,847	848	982	—	2,081	39,948
1980	100,051	97,608	—	557	1,886	103,228	100,626	1,160	1,442	—	-3,177	24,566
1981	121,572	119,016	—	540	2,016	122,304	119,421	1,298	1,585	—	-732	23,834
1982	126,629	124,246	—	675	1,708	137,928	134,661	1,474	1,793	—	-11,299	12,535
1983	148,434	136,127	—	6,096	6,210	151,827	148,025	1,551	2,251	\$17,519	14,125	26,661
1984	160,729	156,553	\$2,132	125	1,919	159,820	155,831	1,585	2,404	—	909	27,570
1985	179,881	175,305	3,151	105	1,321	169,210	165,310	1,589	2,310	-4,364	6,308	33,877
1986	195,331	187,007	3,329	2,293	2,701	178,534	174,340	1,609	2,585	-13,155	3,642	37,519
1987	206,846	199,554	3,323	69	3,900	186,101	182,003	1,541	2,557	—	20,745	58,265
Alternative II-A:												
1988	234,333	225,154	3,294	55	5,830	196,842	192,360	1,640	2,842	—	37,491	95,756
1989	253,732	240,874	3,672	43	9,143	208,557	203,846	1,750	2,960	—	45,175	140,931
1990	276,435	258,922	4,231	34	13,249	221,804	216,919	1,835	3,050	—	54,631	195,562
1991	298,610	276,412	4,739	-377	17,836	235,447	230,344	1,915	3,188	—	63,162	258,724
1992	320,475	292,562	5,163	22	22,728	247,806	242,480	1,993	3,333	—	72,669	331,393
Alternative II-B:												
1988	233,886	224,708	3,294*	55	5,828	196,842	192,360	1,640	2,842	—	37,043	95,308
1989	252,388	239,520	3,683	43	9,143	209,149	204,437	1,750	2,962	—	43,239	138,548
1990	274,048	256,569	4,262	34	13,183	223,409	218,512	1,832	3,066	—	50,639	189,186
1991	296,028	273,451	4,802	37	17,738	238,551	233,409	1,916	3,226	—	57,477	246,664
1992	318,464	290,463	5,280	22	22,699	253,343	247,936	2,006	3,401	—	65,120	311,784

See following page for footnotes.

¹Under the Congressional Budget Act of 1974 (Public Law 93-344), fiscal years 1977 and later consist of the 12 months ending on September 30 of each year. The act further provides that the calendar quarter July-September 1976 is a period of transition from fiscal year 1976, which ended on June 30, 1976, to fiscal year 1977, which began on October 1, 1976.

²Beginning in 1983, includes government contributions on deemed wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$5,388 million representing (1) retroactive contributions on deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$466 million was transferred to the trust fund from the general fund of the Treasury in 1984.

³Includes payments (1) in 1947-52 and in 1967 and later, for costs of noncontributory wage credits for military service performed before 1957; (2) in 1972-83, for costs of deemed wage credits for military service performed after 1956; and (3) in 1969 and later, for costs of benefits to certain uninsured persons who attained age 72 before 1968.

⁴Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the

method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in 1983, these figures reflect payments from a borrowing trust fund to a lending trust fund for interest on amounts owed under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust fund to the general fund on advance tax transfers is reflected. The amount shown for 1983 includes \$6,677 million in interest on (1) retroactive government contributions on deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$1,732 million on government contributions on deemed wage credits for military service in 1957-83. The amounts shown for 1985 and 1986 include interest adjustments of \$76.5 million and \$11.5 million, respectively, on unnegotiated checks issued before April 1985.

⁵Beginning in 1967, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$288 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

⁶Positive figure represents amounts lent to the OASI Trust Fund from the DI and HI Trust Funds. Negative figures represent amounts repaid from the OASI Trust Fund to the DI and HI Trust Funds.

TABLE 19.—OPERATIONS OF THE OASI TRUST FUND DURING SELECTED CALENDAR YEARS 1940-87 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1988-92 ON THE BASIS OF THE INTERMEDIATE SETS OF ASSUMPTIONS
[In millions]

Calendar year	Income					Disbursements					Net increase in fund	Fund at end of period	
	Total	Net contributions ¹	Income from taxation of benefits	Payments from the general fund of the Treasury ²	Net interest ¹	Total	Benefit payments ¹	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers ¹			
Past experience:													
1940	\$368	\$325	—	—	\$43	\$62	\$35	\$26	—	—	—	\$306	\$2,031
1945	1,420	1,285	—	—	134	304	274	30	—	—	—	1,116	7,121
1950	2,928	2,667	—	\$4	257	1,022	961	61	—	—	—	1,905	13,721
1955	6,167	5,713	—	—	454	5,079	4,968	119	—	—	—	1,087	21,663
1960	11,382	10,866	—	—	516	11,198	10,677	203	—	—	—	184	20,324
1965	16,610	16,017	—	—	593	17,501	16,737	328	—	—	—	—890	18,235
1970	32,220	30,256	—	449	1,515	29,848	28,798	471	—	—	—	2,371	32,454
1975	59,605	56,816	—	425	2,364	60,395	58,517	896	—	—	—	-790	36,987
1980	105,841	103,456	—	540	1,845	107,678	105,083	1,154	1,442	—	—	-1,837	22,823
1981	125,361	122,627	—	675	2,060	126,695	123,803	1,307	1,585	—	—	-1,334	21,490
1982	125,198	123,673	—	680	845	142,119	138,806	1,519	1,793	—	\$17,519	598	22,088
1983	150,584	138,337	—	5,541	6,706	152,999	149,221	1,528	2,251	—	—	-2,416	19,672
1984	169,328	164,122	\$2,835	105	2,266	161,883	157,841	1,638	2,404	—	—	7,445	27,117
1985	184,239	176,958	3,208	2,203	1,871	171,150	167,248	1,592	2,310	—	-4,364	8,725	35,842
1986	197,393	190,741	3,424	160	3,069	181,000	176,813	1,601	2,585	—	-13,155	3,239	39,081
1987	210,736	202,735	3,257	55	4,690	187,668	183,587	1,524	2,557	—	—	23,068	62,149
Alternative II-A:													
1988	240,597	229,805	3,347	43	7,403	199,965	195,419	1,704	2,842	—	—	40,632	102,781
1989	258,673	243,939	3,782	34	11,118	211,399	206,667	1,771	2,960	—	—	47,474	150,256
1990	282,789	263,274	4,383	-377	15,509	225,358	220,452	1,855	3,050	—	—	57,431	207,687
1991	305,457	280,337	4,855	22	20,243	238,622	233,499	1,934	3,188	—	—	66,835	274,522
1992	328,280	297,872	5,267	17	25,125	250,847	245,502	2,012	3,333	—	—	77,433	351,954
Alternative II-B:													
1988	239,960	229,165	3,347	43	7,406	199,965	195,419	1,704	2,842	—	—	39,995	102,144
1989	257,284	242,363	3,796	34	11,091	212,187	207,455	1,770	2,962	—	—	45,097	147,241
1990	280,590	260,713	4,420	37	15,420	227,231	222,312	1,853	3,066	—	—	53,359	200,600
1991	302,578	277,454	4,927	22	20,174	242,126	236,961	1,938	3,226	—	—	60,452	261,052
1992	326,640	296,011	5,398	17	25,214	257,047	251,616	2,029	3,401	—	—	69,594	330,646

See following page for footnotes.

¹Beginning in 1983, includes government contributions on deemed wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$5,388 million representing (1) retroactive contributions on deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$466 million was transferred to the trust fund from the general fund of the Treasury in 1984.

²Includes payments (1) in 1947-51 and in 1966 and later, for costs of noncontributory wage credits for military service performed before 1957; (2) in 1971-82, for costs of deemed wage credits for military service performed after 1956; and (3) in 1968 and later, for costs of benefits to certain uninsured persons who attained age 72 before 1968.

³Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in 1983, these figures reflect payments from a borrowing trust fund to a lending trust

fund for interest on amounts owed under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust fund to the general fund on advance tax transfers is reflected. The amount shown for 1983 includes \$6,677 million in interest on (1) retroactive government contributions on deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$1,732 million on government contributions on deemed wage credits for military service in 1957-83. The amount shown for 1985 includes an interest adjustment of \$88 million on unnegotiated checks issued before April 1985.

⁴Beginning in 1966, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$288 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

⁵Positive figure represents amounts lent to the OASI Trust Fund from the DI and HI Trust Funds. Negative figures represent amounts repaid from the OASI Trust Fund to the DI and HI Trust Funds.

TABLE 20.—OPERATIONS OF THE DI TRUST FUND DURING SELECTED FISCAL YEARS 1960-87 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1988-92 ON THE BASIS OF THE INTERMEDIATE SETS OF ASSUMPTIONS
(In millions)

Fiscal year ¹	Income					Disbursements						Fund at end of period
	Total	Net contributions ^a	Income from taxation of benefits	Payments from the general fund of the Treasury ^a	Net interest ^a	Total	Benefit payments ^a	Administrative expenses	Transfers to Railroad Retirement program	Intertfund borrowing transfers ^a	Net increase in fund	
Past experience:												
1960	\$1,034	\$987	—	—	\$47	\$533	\$528	\$32	-\$27	—	\$501	\$2,167
1965	1,237	1,175	—	—	62	1,495	1,392	79	24	—	-257	2,007
1970	4,380	4,141	—	\$16	223	2,954	2,795	149	10	—	1,426	5,104
1975	7,920	7,356	—	52	512	7,982	7,701	253	29	—	-62	8,191
1980	17,376	16,805	—	118	453	15,320	14,998	334	-12	—	2,056	7,680
1981	12,993	12,589	—	130	273	17,280	16,846	405	29	—	-4,288	3,392
1982	21,398	20,866	—	168	363	18,035	17,437	572	26	—	3,363	6,755
1983	21,846	19,036	—	1,295	1,515	18,231	17,544	659	28	-\$5,081	-1,466	5,290
1984	17,732	16,394	\$143	—	1,195	18,379	17,772	585	22	—	-647	4,643
1985	17,984	16,876	217	—	891	19,294	18,648	603	43	2,540	1,230	5,873
1986	20,130	18,139	229	1,017	746	20,196	19,529	600	68	2,541	2,475	8,348
1987	20,047	19,324	16	—	738	21,222	20,427	738	57	—	-1,175	7,173
Alternative II-A:												
1988	22,373	21,608	176	—	589	22,148	21,338	761	49	—	225	7,398
1989	23,933	23,083	209	—	640	23,371	22,508	814	49	—	562	7,959
1990	27,927	26,960	239	—	728	24,487	23,580	859	48	—	3,441	11,400
1991	31,000	29,620	261	56	1,063	25,797	24,853	902	42	—	5,202	16,603
1992	33,100	31,337	294	—	1,469	27,206	26,216	947	44	—	5,893	22,496
Alternative II-B:												
1988	22,331	21,566	176	—	589	22,148	21,338	761	49	—	183	7,355
1989	23,802	22,958	210	—	635	23,434	22,571	814	49	—	368	7,724
1990	27,660	26,716	241	—	703	24,650	23,744	857	49	—	3,010	10,733
1991	30,665	29,303	264	79	1,018	26,103	25,156	903	44	—	4,562	15,295
1992	32,823	31,113	299	—	1,411	27,738	26,738	953	47	—	5,085	20,381

See following page for footnotes.

¹Under the Congressional Budget Act of 1974 (Public Law 93-344), fiscal years 1977 and later consist of the 12 months ending on September 30 of each year. The act further provides that the calendar quarter July-September 1976 is a period of transition from fiscal year 1976, which ended on June 30, 1976, to fiscal year 1977, which began on October 1, 1976.

²Beginning in 1983, includes government contributions on deemed wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$402 million representing (1) retroactive contributions on deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$62 million was transferred to the trust fund from the general fund of the Treasury in 1984.

³Includes payments (1) in 1967 and later, for costs of noncontributory wage credits for military service performed before 1957; and (2) in 1972-83, for costs of deemed wage credits for military service performed after 1956.

⁴Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report.

Beginning in 1983, these figures reflect payments from a borrowing trust fund to a lending trust fund for interest on amounts owed under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust fund to the general fund on advance tax transfers is reflected. The amount shown for 1983 includes \$660 million in interest on (1) retroactive government contributions on deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$169 million on government contributions on deemed wage credits for military service in 1957-83. The amount shown for 1985 includes an interest adjustment of \$14.8 million on unnegotiated checks issued before April 1985.

⁵Beginning in 1967, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$48 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

⁶Negative figure represents amounts lent by the DI Trust Fund to the OASI Trust Fund. Positive figures represent repayment of these amounts.

⁷Reflects \$195 million in transfers from the DI Trust Fund to the general fund of the Treasury to correct estimated amounts transferred for calendar years 1984 and 1985.

TABLE 21.—OPERATIONS OF THE DI TRUST FUND DURING SELECTED CALENDAR YEARS 1960-87 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1988-92 ON THE BASIS OF THE INTERMEDIATE SETS OF ASSUMPTIONS
[In millions]

Calendar year	Income					Disbursements						Fund at end of period
	Total	Net contributions ¹	Income from taxation of benefits	Payments from the general fund of the Treasury ²	Net interest ³	Total	Benefit payments ⁴	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers ⁵	Net increase in fund	
Past experience:												
1960	\$1,063	\$1,010	—	—	\$53	\$600	\$568	\$36	-\$5	—	\$484	\$2,289
1965	1,247	1,188	—	—	59	1,687	1,573	90	24	—	-440	1,606
1970	4,774	4,481	—	—	277	3,259	3,085	164	10	—	1,514	5,614
1975	8,035	7,444	—	—	90	8,790	8,505	256	29	—	-754	7,354
1980	13,871	13,255	—	130	485	15,872	15,515	368	-12	—	-2,001	3,629
1981	17,078	16,738	—	168	172	17,658	17,192	436	29	—	-580	3,049
1982	22,715	21,995	—	174	546	17,992	17,376	590	26	-\$5,081	-358	2,691
1983	20,682	17,991	—	1,121	1,569	18,177	17,524	625	28	—	2,505	5,195
1984	17,309	15,945	\$190	—	1,174	18,546	17,898	626	22	—	-1,237	3,959
1985	19,301	17,191	222	1,017	870	19,478	18,827	608	43	2,540	2,363	6,321
1986	19,439	18,399	238	—	803	20,522	19,853	600	68	2,541	1,459	7,780
1987	20,303	19,691	*36	—	648	21,425	20,519	849	57	—	-1,122	6,658
Alternative II-A:												
1988	22,836	22,032	182	—	622	22,440	21,703	688	49	—	396	7,054
1989	24,258	23,377	217	—	663	23,635	22,761	825	49	—	623	7,677
1990	29,220	28,045	247	56	872	24,790	23,872	869	48	—	4,430	12,107
1991	31,569	30,040	266	—	1,264	26,153	25,198	913	42	—	5,416	17,523
1992	33,879	31,908	303	—	1,668	27,581	26,579	958	44	—	6,298	23,821
Alternative II-B:												
1988	22,776	21,974	182	—	620	22,440	21,703	688	49	—	336	6,994
1989	24,097	23,230	218	—	649	23,718	22,845	825	49	—	379	7,373
1990	28,938	27,773	249	79	837	24,979	24,062	868	49	—	3,959	11,332
1991	31,210	29,729	270	—	1,211	26,495	25,536	915	44	—	4,715	16,046
1992	33,630	31,710	310	—	1,610	28,173	27,160	966	47	—	5,457	21,504

See following page for footnotes.

*Beginning in 1983, includes government contributions on deemed wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$402 million representing (1) retroactive contributions on deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$62 million was transferred to the trust fund from the general fund of the Treasury in 1984.

*Includes payments (1) in 1966 and later, for costs of noncontributory wage credits for military service performed before 1957; and (2) in 1971-82, for costs of deemed wage credits for military service performed after 1956.

*Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust fund on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in 1983, these figures reflect payments from a borrowing trust fund to a lending trust fund for interest on amounts owed under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust fund to the general fund on advance tax transfers is

reflected. The amount shown for 1983 includes \$660 million in interest on (1) retroactive government contributions on deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$169 million on government contributions on deemed wage credits for military service in 1957-83. The amount shown for 1985 includes an interest adjustment of \$14.8 million on unnegotiated checks issued before April 1985.

*Beginning in 1966, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$48 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

*Negative figure represents amounts lent by the DI Trust Fund to the OASI Trust Fund. Positive figures represent repayment of these amounts.

*Reflects \$195 million in transfers from the DI Trust Fund to the general fund of the Treasury to correct estimated amounts transferred for calendar years 1984 and 1985.

TABLE 22.—OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, DURING SELECTED FISCAL YEARS 1960-87 AND ESTIMATED FUTURE OPERATIONS DURING FISCAL YEARS 1988-92 ON THE BASIS OF THE INTERMEDIATE SETS OF ASSUMPTIONS
[In millions]

Fiscal year ¹	Income					Disbursements					Funds at end of period	
	Total	Net contributions ^a	Income from taxation of benefits	Payments from the general fund of the Treasury ^a	Net interest ^a	Total	Benefit payments ^a	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers ^a		Net increase in funds
Past experience:												
1960	\$11,394	\$10,830	—	—	\$564	\$11,606	\$10,798	\$234	\$574	—	-\$212	\$22,996
1965	17,681	17,032	—	—	648	17,456	16,618	379	459	—	224	22,187
1970	36,127	34,096	—	\$458	1,572	30,275	29,063	623	589	—	5,851	37,720
1975	66,677	63,374	—	499	2,804	64,658	62,547	1,101	1,010	—	2,018	48,138
1980	117,427	114,413	—	675	2,339	118,548	115,624	1,494	1,430	—	-1,121	32,246
1981	134,565	131,606	—	670	2,289	139,584	136,267	1,703	1,614	—	-5,019	27,226
1982	148,027	145,113	—	843	2,072	155,963	152,097	2,046	1,820	—	-7,936	19,290
1983	170,280	155,163	—	7,391	7,725	170,058	165,569	2,210	2,279	\$12,437	12,660	31,950
1984	178,461	172,946	\$2,275	125	3,114	178,199	173,603	2,170	2,426	—	262	32,212
1985	197,865	192,181	3,368	105	2,211	188,504	183,959	2,192	2,353	-1,824	7,538	39,750
1986	215,461	205,146	3,558	3,310	3,447	198,730	193,869	2,209	2,653	-10,613	6,117	45,867
1987	226,893	218,878	3,307	69	4,638	207,323	202,430	2,279	2,614	—	19,570	65,437
Alternative II-A:												
1988	256,706	246,762	3,470	55	6,419	218,990	213,698	2,401	2,891	—	37,716	103,154
1989	277,664	263,957	3,881	43	9,783	231,928	226,354	2,564	3,009	—	45,737	148,890
1990	304,363	285,882	4,470	34	13,977	246,291	240,498	2,694	3,098	—	58,072	206,962
1991	329,610	306,032	5,000	-321	18,899	261,245	255,197	2,817	3,230	—	68,365	275,327
1992	353,575	323,899	5,457	22	24,198	275,013	268,696	2,940	3,377	—	78,563	353,889
Alternative II-B:												
1988	256,216	246,274	3,470	55	6,417	218,990	213,698	2,401	2,891	—	37,226	102,664
1989	276,191	262,478	3,892	43	9,778	232,583	227,008	2,564	3,011	—	43,608	146,271
1990	301,708	283,285	4,503	34	13,886	249,059	242,256	2,689	3,114	—	53,648	199,919
1991	326,693	302,754	5,067	116	18,757	264,654	258,565	2,818	3,270	—	62,039	261,959
1992	351,287	321,576	5,579	22	24,110	281,081	274,674	2,959	3,448	—	70,206	332,164

See following page for footnotes.

¹Under the Congressional Budget Act of 1974 (Public Law 93-344), fiscal years 1977 and later consist of the 12 months ending on September 30 of each year. The act further provides that the calendar quarter July-September 1976 is a period of transition from fiscal year 1976, which ended on June 30, 1976, to fiscal year 1977, which began on October 1, 1976.

²Beginning in 1983, includes government contributions on deemed wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$5,790 million representing (1) retroactive contributions on deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$528 million was transferred to the trust funds from the general fund of the Treasury in 1984.

³Includes payments (1) in 1947-52 and in 1967 and later, for costs of noncontributory wage credits for military service performed before 1957; (2) in 1972-83, for costs of deemed wage credits for military service performed after 1956; and (3) in 1969 and later, for costs of benefits to certain uninsured persons who attained age 72 before 1968.

⁴Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust funds on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the

method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in 1983, these figures reflect payments from a borrowing trust fund to a lending trust fund for interest on amounts owed under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust funds to the general fund of the Treasury on advance tax transfers is reflected. The amount shown for 1983 includes \$7,337 million in interest on (1) retroactive government contributions on deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$1,901 million on government contributions on deemed wage credits for military service in 1957-83. The amounts shown for 1985 and 1986 include interest adjustments of \$91.3 million and \$11.5 million, respectively, on unnegotiated checks issued before April 1985.

⁵Beginning in 1967, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$336 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

⁶Positive figure represents amounts lent to the OASI Trust Fund from the HI Trust Fund. Negative figures represent amounts repaid from the OASI Trust Fund to the HI Trust Fund.

TABLE 23.—OPERATIONS OF THE OASI AND DI TRUST FUNDS, COMBINED, DURING SELECTED CALENDAR YEARS 1960-87 AND ESTIMATED FUTURE OPERATIONS DURING CALENDAR YEARS 1988-92 ON THE BASIS OF THE INTERMEDIATE SETS OF ASSUMPTIONS
(In millions)

Calendar year	Income					Disbursements						Funds at end of period
	Total	Net contributions*	Income from taxation of benefits	Payments from the general fund of the Treasury*	Net interest*	Total	Benefit payments*	Administrative expenses	Transfers to Railroad Retirement program	Interfund borrowing transfers*	Net increase in funds	
Past experience:												
1960	\$12,445	\$11,876	—	—	\$569	\$11,798	\$11,245	\$240	\$314	—	\$647	\$22,613
1965	17,857	17,205	—	—	651	19,187	18,311	418	459	—	-1,331	19,841
1970	36,993	34,737	—	\$465	1,791	33,108	31,884	635	589	—	3,886	38,068
1975	67,640	64,259	—	515	2,866	69,184	67,022	1,152	1,010	—	-1,544	44,342
1980	119,712	116,711	—	670	2,330	123,550	120,598	1,522	1,430	—	-3,838	26,453
1981	142,438	139,364	—	843	2,231	144,352	140,995	1,743	1,614	—	-1,914	24,539
1982	147,913	145,667	—	854	1,391	160,111	156,182	2,109	1,820	\$12,437	239	24,778
1983	171,266	156,328	—	6,662	8,276	171,177	166,744	2,153	2,279	—	89	24,867
1984	186,637	180,066	\$3,025	105	3,440	180,429	175,739	2,264	2,426	—	6,208	31,075
1985	203,540	194,149	3,430	3,220	2,741	190,628	186,075	2,200	2,353	-1,824	11,088	42,163
1986	216,833	209,140	3,662	160	3,871	201,522	196,667	2,202	2,653	-10,613	4,698	46,861
1987	231,039	222,425	3,221	55	5,338	209,093	204,106	2,373	2,614	—	21,946	68,807
Alternative II-A:												
1988	263,434	251,837	3,529	43	8,025	222,405	217,123	2,392	2,891	—	41,028	109,835
1989	283,131	267,316	3,999	34	11,782	235,034	229,428	2,596	3,009	—	48,097	157,933
1990	312,008	291,319	4,630	-321	16,381	250,148	244,325	2,724	3,098	—	61,861	219,793
1991	337,026	310,377	5,121	22	21,506	264,775	258,697	2,848	3,230	—	72,251	292,045
1992	362,159	329,780	5,570	17	26,793	278,428	272,081	2,970	3,377	—	83,731	375,775
Alternative II-B:												
1988	262,737	251,139	3,529	43	8,026	222,405	217,122	2,392	2,891	—	40,332	109,139
1989	281,381	265,593	4,014	34	11,740	235,905	230,300	2,595	3,011	—	45,475	154,614
1990	309,527	288,486	4,669	116	16,257	252,209	246,374	2,721	3,114	—	57,318	211,932
1991	333,787	307,183	5,197	22	21,386	268,621	262,498	2,853	3,270	—	65,167	277,098
1992	360,270	327,721	5,708	17	26,824	285,219	278,776	2,995	3,448	—	75,051	352,149

See following page for footnotes.

¹Beginning in 1983, includes government contributions on deemed wage credits for military service in 1957 and later. The amount shown for 1983 includes, in addition to the annual contributions on 1983 wage credits, a net amount of \$5,790 million representing (1) retroactive contributions on deemed wage credits for military service in 1957-82, less (2) all reimbursements received prior to 1983 for the costs of such credits. An adjustment to these amounts totaling \$528 million was transferred to the trust funds from the general fund of the Treasury in 1984.

²Includes payments (1) in 1947-51 and in 1966 and later, for costs of noncontributory wage credits for military service performed before 1957; (2) in 1971-82, for costs of deemed wage credits for military service performed after 1956; and (3) in 1968 and later, for costs of benefits to certain uninsured persons who attained age 72 before 1968.

³Net interest includes net profits or losses on marketable investments. Beginning in 1967, administrative expenses are charged currently to the trust funds on an estimated basis, with a final adjustment, including interest, made in the following fiscal year. The amounts of these interest adjustments are included in net interest. For years prior to 1967, a description of the method of accounting for administrative expenses is contained in the 1970 Annual Report. Beginning in 1983, these figures reflect payments from a borrowing trust fund to a lending trust

fund for interest on amounts owed under the interfund borrowing provisions. Also, beginning in 1983, interest paid from the trust funds to the general fund of the Treasury on advance tax transfers is reflected. The amount shown for 1983 includes \$7,337 million in interest on (1) retroactive government contributions on deemed wage credits for military service in 1957-82, and (2) unnegotiated benefit checks issued before 1983. The amount shown for 1984 includes an interest adjustment of \$1,901 million on government contributions on deemed wage credits for military service in 1957-83. The amount shown for 1985 includes an interest adjustment of \$102.8 million on unnegotiated checks issued before April 1985.

⁴Beginning in 1966, includes payments for vocational rehabilitation services furnished to disabled persons receiving benefits because of their disabilities. Beginning in 1983, amounts are reduced by amount of reimbursement for unnegotiated benefit checks. The amount shown for 1983 is reduced by \$336 million for all unnegotiated checks issued before 1983; reductions in subsequent years are relatively small.

⁵Positive figure represents amounts lent to the OASI Trust Fund from the HI Trust Fund. Negative figures represent amounts repaid from the OASI Trust Fund to the HI Trust Fund.

D. ACTUARIAL ANALYSIS OF BENEFIT DISBURSEMENTS FROM THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND WITH RESPECT TO DISABLED BENEFICIARIES

(Required by section 201(c) of the Social Security Act)

Effective January 1957, monthly benefits have been payable from the OASI Trust Fund to disabled children aged 18 and over of retired and deceased workers in those cases for which the disability began before age 18. The age before which disability is required to have begun was subsequently changed to age 22. Effective February 1968, reduced monthly benefits have been payable from this trust fund to disabled widows and widowers at ages 50 and above.

On December 31, 1987, about 629,000 persons were receiving monthly benefits from the OASI Trust Fund because of their disabilities or the disabilities of children. This total includes 54,000 mothers and fathers (wives or husbands under age 65 of retired-worker beneficiaries and widows or widowers of deceased insured workers) who met all other qualifying requirements and were receiving unreduced benefits solely because they had disabled-child beneficiaries (or disabled children aged 16 or 17) in their care. Benefits paid from this trust fund to the persons described above totaled \$2,314 million in calendar year 1987. Table 24 shows these and similar figures for selected calendar years during 1960-87, and estimated experience for 1988-92.

TABLE 24.—BENEFITS PAYABLE FROM THE OASI TRUST FUND WITH RESPECT TO DISABLED BENEFICIARIES, SELECTED CALENDAR YEARS 1960-92
[Beneficiaries in thousands; benefit payments in millions]

Calendar year	Disabled beneficiaries, end of year			Amount of benefit payments ¹		
	Total	Children ²	Widows-widowers	Total	Children ²	Widows-widowers ²
Past experience:						
1960.....	117	117	—	\$59	\$59	—
1965.....	214	214	—	134	134	—
1970.....	316	281	36	301	260	\$41
1975.....	435	376	59	664	560	104
1980.....	519	460	59	1,223	1,097	126
1981.....	527	473	54	1,421	1,296	125
1982.....	533	484	49	1,566	1,451	115
1983.....	550	504	46	1,691	1,581	110
1984.....	574	528	47	1,882	1,707	175
1985.....	594	547	47	2,043	1,860	183
1986.....	614	565	49	2,198	2,001	197
1987.....	629	580	49	2,314	2,111	203
Alternative II-A:						
1988.....	643	595	48	2,496	2,281	214
1989.....	658	610	48	2,662	2,439	222
1990.....	672	625	47	2,854	2,623	232
1991.....	687	640	47	3,047	2,805	242
1992.....	702	655	48	3,236	2,982	254
Alternative II-B:						
1988.....	643	595	48	2,496	2,281	214
1989.....	658	610	48	2,671	2,448	223
1990.....	672	625	47	2,878	2,645	234
1991.....	687	640	47	3,092	2,846	245
1992.....	702	655	48	3,316	3,056	260

¹Beginning in 1966, includes payments for vocational rehabilitation services.

²Also includes certain mothers and fathers (see text).

³In 1983 and prior years, reflects the offsetting effect of lower benefits payable to disabled widows and widowers who continue to receive benefits after attaining age 60 (62, for disabled widowers, prior to 1973) as compared to the higher nondisabled widow's and widower's benefits that would otherwise be payable.

Total benefit payments from the OASI Trust Fund with respect to disabled beneficiaries are estimated to increase from \$2,496 million in

calendar year 1988 to \$3,236 million in calendar year 1992, based on alternative II-A, and to \$3,316 million in calendar year 1992, based on alternative II-B.

In calendar year 1987, benefit payments (including expenditures for vocational rehabilitation services) with respect to disabled persons from the OASI Trust Fund and from the DI Trust Fund (including payments from the latter fund to all children and spouses of disabled-worker beneficiaries) totaled \$22,841 million, of which \$2,314 million, or 10.1 percent, represented payments from the OASI Trust Fund. These and similar figures for selected calendar years during 1960-87 and estimates for calendar years 1988-92 are presented in table 25.

TABLE 25.—BENEFIT PAYMENTS UNDER THE OASDI PROGRAM WITH RESPECT TO DISABLED BENEFICIARIES, BY TRUST FUND, SELECTED CALENDAR YEARS 1960-92
(Amounts in millions)

Calendar year	Total ¹	DI Trust Fund ²	OASI Trust Fund	
			Amount ³	Percentage of total
Past experience:				
1960	\$627	\$568	\$59	9.4
1965	1,707	1,573	134	7.9
1970	3,386	3,085	301	8.9
1975	9,169	8,505	664	7.2
1980	16,738	15,515	1,223	7.3
1981	18,613	17,192	1,421	7.6
1982	18,942	17,376	1,566	8.3
1983	19,215	17,524	1,691	8.8
1984	19,782	17,900	1,882	9.5
1985	20,879	18,836	2,043	9.8
1986	22,054	19,856	2,198	10.0
1987	22,841	20,527	2,314	10.1
Alternative II-A:				
1988	24,207	21,711	2,496	10.3
1989	25,426	22,764	2,662	10.5
1990	26,729	23,875	2,854	10.7
1991	28,248	25,201	3,047	10.8
1992	29,818	26,582	3,236	10.9
Alternative II-B:				
1988	24,202	21,706	2,496	10.3
1989	25,519	22,848	2,671	10.5
1990	26,943	24,065	2,878	10.7
1991	28,631	25,539	3,092	10.8
1992	30,479	27,163	3,316	10.9

¹Beginning in 1966, includes payments for vocational rehabilitation services.

²Benefit payments to disabled workers and their children and spouses.

³Benefit payments to disabled children aged 18 and over, to certain mothers and fathers (see text), and to disabled widows and widowers (see footnote 3, table 24).